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# CAFTA Bolsters Security, Economy

By Bob Graham and Mack McLarty

Central America is taking center stage these days as Congress debates trade policy, globalization and the relationship with our hemispheric neighbors.

Sadly, the U.S. free trade agreement with El Salvador, Costa Rica, Honduras, Nicaragua, Guatemala and the Dominican Republic -- which the Senate may vote on today -- will be subjected to the usual overheated rhetoric about defending domestic jobs versus growing exports revenues and open markets versus protected special interests.

What is missing is a basic understanding of DR-CAFTA and why it is nave to view the pact through the standard, predictable anti-trade lens.

For starters, this is not an agreement with some go-where-labor-is-cheapest, undeveloped banana republics: DR-CAFTA nations are emerging economies built on the principles of market access, investments in technology and liberal trade policies. The six nations make up the second-largest export market in Latin America after Mexico, with $32 billion in two-way trade supporting about 200,000 American jobs.

DR-CAFTA simply completes a trade circle begun under Presidents Carter and Reagan: The Caribbean Basin Initiative, enacted to accelerate peace and stability in Central America and the Caribbean in 1983, has allowed some 80 percent of DR-CAFTA country exports to enter the United States free of tariffs. What this new agreement does is give U.S. exports to the six partner countries the same free-trade advantages and then slowly expands to cover almost all two-way commerce. What will happen is a leveling of the hemispheric-trade playing field so that U.S. companies can export to consumers in these emerging Central American economies as easily as DR-CAFTA companies can get products onto U.S. shelves.

Other critical issues involved include U.S. support for democracy, regional leadership and hemispheric cooperation: At a time when this nation is preaching the importance and advantages of democracy in virtually every corner of the globe, the DR-CAFTA countries are politically stable, vibrant and open. All are democracies, and all have used the past decade to plant painful, war-torn and violent pasts deep in their nations' history books. Instead of being the datelines for news stories about civil war, totalitarianism or human-rights abuses, the six are saluted for openly confronting their troubled times and working toward productive, prosperous and free futures.

Given the importance of homeland and national security in the United States, the friendship and support of as many nations as possible surely is in our best interest. We would be smart to realize that DR-CAFTA countries have stood with us around the world and can now help us stay safe by controlling who and what moves north toward our borders and shores.

Still, the passage of DR-CAFTA is no sure thing. Both parties in Congress have been increasingly reluctant to support any free-trade expansions. While traditional concerns such as labor rights and environmental standards still play a role in this reticence, the primary opposition is concern over the further job losses through outsourcing and relocations. Even though DR-CAFTA is no significant threat to U.S. workers and more likely will create and sustain U.S. jobs, it has been battered by the reflex reaction of negativism that attaches to any trade bill.

And the agreement does have flaws. It was negotiated in a traditionally closed fashion with the public excluded until presented with a final pact. This only fueled suspicions that multilateral agreements are being crafted by big-money special interests at the expense of the public good. And while resources to address job and industry dislocations have grown -- including a $1 billion U.S. trade-adjustment assistance program to help workers and communities in this country, a $1.6 billion Inter-American Development Bank "loan pipeline" to ease trade transition in Central America and a $20 million U.S. fund to help the six trade partners better enforce labor and environmental laws -- most were added on as seeming buy-offs at the end.

If transparency drove the free-trade process from Day One instead of emerging during the desperate stretch to passage, the merits of DR-CAFTA would define today's debate more than amorphous globalization fears.

DR-CAFTA may not be perfect. But it is an important policy tool to knit together the United States with its closest neighbors in the name of homeland security, friendship and common interest. The gains heavily outweigh the concerns -- with economic growth rippling broadly through the U.S. economy, benefiting more communities than its costs and catalyzing changes that improve our own security, prosperity and international standing. It is hard to ask for more from any international agreement.

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